VZCZCXRO3427 OO RUEHBC RUEHDE RUEHIHL RUEHKUK RUEHMOS DE RUEHNE #9376/01 3471308 ZNY CCCCC ZZH O 131308Z DEC 05 FM AMEMBASSY NEW DELHI TO RUEHC/SECSTATE WASHDC IMMEDIATE 7349 INFO RUCNRAQ/IRAQ COLLECTIVE RUEHBJ/AMEMBASSY BEIJING 9197 RUEHLM/AMEMBASSY COLOMBO 2309 RUEHKA/AMEMBASSY DHAKA 2328 RUEHIL/AMEMBASSY ISLAMABAD 5142 RUEHBUL/AMEMBASSY KABUL 2102 RUEHKT/AMEMBASSY KATHMANDU 2965 RUEHLO/AMEMBASSY LONDON 7309 RUEHMO/AMEMBASSY MOSCOW 5681 RUEHKO/AMEMBASSY TOKYO 2458 RUEHCI/AMCONSUL CALCUTTA 0207 RUEHCG/AMCONSUL CHENNAI 9842 RUEHKP/AMCONSUL KARACHI 1213 RUEHLH/AMCONSUL LAHORE 1814 RUEHBI/AMCONSUL MUMBAI 9109 RUEHPW/AMCONSUL PESHAWAR 2519 RUEIDN/DNI WASHINGTON DC RHHMUNA/CDR USPACOM HONOLULU HI RUCNDT/USMISSION USUN NEW YORK 8067 RHMFISS/HQ USCENTCOM MACDILL AFB FL RUEHGV/USMISSION GENEVA 0170 RHHMUNA/HQ USPACOM HONOLULU HI RHEHNSC/NSC WASHDC RHMFISS/HQ USSOCOM MACDILL AFB FL RUEKJCS/JOINT STAFF WASHDC

C O N F I D E N T I A L SECTION 01 OF 03 NEW DELHI 009376

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TAGS: <u>PGOV PINR PREL PHUM EPET ETTC ECON IN</u> SUBJECT: IS THE BJP READY FOR A REVIVAL? PERHAPS

REF: A. NEW DELHI 9128

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Classified By: DCM Robert Blake, Jr. for Reasons 1.4 (B, D)

11. (C) Summary: The BJP is undergoing churnings that suggest that it could regain its political legs. Supporters of this position point to the recent NDA electoral victory in Bihar, and the decision to expel perennial troublemaker Uma Bharati as signs that the party is putting its internal problems behind it and is gearing up to take on the ruling The emergence of a new generation of leadership could UPA. leave the Advani/Jinnah dispute behind. Naysayers claim that signs of a revival are illusory, since the second-tier leadership continues to tussle behind the scenes, while Uma Bharati could yet present an unanticipated challenge. Moreover an MP bribery scandal that broke on December 12 has focused largely on BJP MPs and could brake the party's political momentum. Things will become more clear when the BJP leadership meets in Mumbai December 26-30 to select a new President to replace LK Advani. The party's choice will provide an indication whether it is ready for a rebound or still paralyzed by its leadership and ideological battles. End Summary

Scandal Season Continues

12. (C) On December 9 Parliament concluded another week dominated by the fallout from the oil-for-food scandal, but with former Foreign Minister Natwar Singh out of the Cabinet most now agree that the crisis has run its course. Although

the BJP claimed it would press for Congress Party President Sonia Gandhi to resign as head of the National Advisory Commission (NAC), this threat was mere posturing. Political pundits point out that BJP figures have also profited from Saddam's Iraqi oil concessions, and claim the party has already reassured Congress privately that it would not press the matter further, for fear that Vajpayee's and Sonia's own corrupt deals could be revealed. We expect that since the BJP has Natwar's head on a pike, hostilities should now cease.

And Now it's MPs

- 13. (U) Just when it appeared that the BJP was acquiring some political momentum off the Bihar election outcome, it was forced to suspend six of its MPs, who were among 11 from various parties caught on tiny hidden cameras accepting bribes to raise questions in Parliament. After the news channel "Aaj Tak" broadcast the footage on December 12, Parliamentary Speaker Somnath Chatterjee barred those shown on camera from attending Parliament until the matter is resolved and set up an inquiry committee to report by December 21. Party President Advani looked particularly grim as he announced the suspension of the six MPs. The BJP made no move to defend the errant legislators and hinted that they could be expelled if the Committee finds them guilty.
- 14. (C) On December 13 an "Aaj Tak" reporter revealed to the DCM that while the BJP is taking the hit, corruption in Parliament is systemic and runs very deep. He noted that the network has more MPs on film, but only aired clips in which the questions paid for were actually asked in Parliament and the MP can be clearly seen accepting funds. He added that New Delhi's all-pervasive middlemen quickly linked "Aaj Tak"

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with MPs willing to accept bribes. Other well-connected contacts asserted to us that low-paid MPs often turn to corruption to supplement their salaries and meet expenses, and with no public accountability laws in India, the line between donations and bribes is often blurry. One political insider contended that the downhill slide began with Indira Gandhi who personally collected party funds with no accountability.

But the Party Moves On

 $\P5.$ (C) Proponents of a BJP revival point to the powerful impact of the NDA's Bihar victory, which reversed a protracted period of BJP electoral defeats. With governments in Rajasthan, Madhya Pradesh, Jharkhand, Chhattisgarh and Bihar, the party is solidly entrenched in the Hindi heartland, and has a base it can use to challenge UPA government's in other Hindi belt states such as Delhi, Himachal Pradesh and Haryana. They also view the BJP's expulsion of Uma Bharati as the sign of a mature party no longer willing to be held hostage to her threats and ideological extremism. Her expulsion was seen as a defeat for the old generation and Vajpayee and Advani, and left in the driver's seat a new generation led by Rajya Sabha delegation leader Sushma Swaraj, Party General Secretaries Arun Jaitley and Pramod Mahajan, Gujarat Chief Minister Narendra Modi and party Vice President SK Modi. NDTV, quoting BJP sources, claimed on December 7 that Venkaiah Naidu will return and serve until February 2007. "Outlook" on December 10 claimed that most of the second tier leadership has already signed on to the proposal, viewing Naidu as a non-controversial candidate who could prove acceptable to all factions until the party gets ready for national elections expected in 2008 or 2009.

Getting Its Platform in Order

states met in Delhi to decide substantive issues. At the meeting's conclusion the BJP announced that Madhya Pradesh, Rajasthan, Jharkhand, and Chhattisgarh will join the VAT regime, hopefully before the end of the fiscal year in April 12006. Although Yashwant Sinha and Jaswant Singh were strong proponents of the VAT when in power, the party leadership backed away from it after the BJP defeat in 2004. The Chief Ministers also discussed Naxalite violence, infiltration from Bangladesh, poverty alleviation and maintaining legal bans against "cow slaughter" (the butchering of cows for meat).

But Pundits Remain Skeptical

17. (C) Some political observers remain skeptical. During separate December 7 meetings with Poloff, political pundits Saeed Naqvi, Harish Khare and Zafar Agha agreed that the oil-for-food issue has run its course, but did not think the party was capable of overcoming its internal problems and staging a serious revival. Khare emphasized that the BJP should be worried about Uma's departure, as she is a popular vote catcher who could potentially split the contentious party. Naqvi contended that both the BJP and Congress are too weak to strike serious blows against each other and are facing serious challenges from ambitious Left and regional parties. He asserted that the BJP's serious internal

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problems will not go away and will resist easy solutions.

Still Weak

18. (C) Agha agreed with the other two journalists that the BJP is incapable of unseating the UPA, which is likely to serve a full five-year term, and that the BJP is resigned to three more years in the opposition. He asserted that the BJP is facing serious challenges from regionals and the left and is "comfortable" that PM Singh can maintain the status quo until it gets its house in order. Agha claimed his talks with BJP second tier leaders such as Pramod Mahajan and Arun Jaitley, revealed them to be "clueless" regarding the nation's pressing issues and totally focused on internal bickering, exulting to him that "we really showed the woman (Uma Bharati) a thing or two," while seemingly unaware of the damage her expulsion could cause.

Comment - All Should Become Clear Shortly

19. (C) The BJP, with its origins in the cadre-based RSS, tries to keep its internal divisions behind closed doors. The inner workings of the party remain mysterious, sparking widespread speculation as to its true state. Although skeptics remain unconvinced, recent developments suggest that the party's long period of decline is coming to an end. Coming events may put speculation and uncertainty to rest, as the party is committed to name a new President by December 30, and has moved quickly to suspend MPs accused of bribe-taking. The RSS is championing the Hindutva ideologue and former Uttar Pradesh college professor Murli Manohar Joshi to replace Advani. The return of Naidu as President would indicate that the RSS was forced to back down and concede control to the more pragmatic non-Hindutva wing. selection process will be conducted in the full glare of the media and the candidate that emerges should indicate whether the party has truly mastered its internal demons and is ready to emerge strong, resolute and ready to play its rightful role as the leader of India's opposition. MULFORD